

## **TRS Board Holds Premiums Constant for TRS-Care and TRS-ActiveCare 1-HD, Makes Only Slight Increases to Other TRS-ActiveCare Plans**

June 20, 2016

Austin, Texas—On June 16, 2016, the TRS Board of Trustees (“the Board”) approved changes to TRS-Care and TRS-ActiveCare health plans. Changes approved by the Board held down premium increases by achieving cost savings through modest plan design changes.

Health care costs are growing across all markets, and the TRS health plans are not immune. While TRS is vigilant in its approach to managing costs in concert with its health plan and pharmacy benefit administrators, the rising costs necessitate plan changes to ensure adequate funds to pay claims through the end of the 2017 fiscal year. The changes approved by the Board attempt, when possible, to balance funding constraints with the impact of premium and plan design changes on participants.

For the plan year starting Sept. 1, 2016, retirees will not experience an increase in premiums as directed by the Texas Legislature. For the first time in 12 years, the Board approved changes to deductibles and maximum-out-of-pocket limits for TRS-Care plans. To save funds and generate additional federal subsidies to TRS-Care, participants enrolled in Medicare Part A or B must now obtain their prescription drug coverage under Medicare Part D, which provides a rich benefit and is less costly to members. The changes will ensure sufficient funds for TRS-Care to pay medical claims through fiscal year 2017.

The Board also selected Humana as the Medicare Advantage provider for the plan year starting Jan. 1, 2017. Rates and benefits for the Medicare Advantage plans will not change. Humana brings a strong background in the Medicare Advantage market, programs tailored to the Medicare population, and a robust network of providers. Humana will work alongside Aetna, the current Medicare Advantage provider and long-time administrator of the traditional TRS-Care plans, and Express Scripts, who will continue to manage pharmacy benefits.

Premiums for the TRS-ActiveCare plans will increase 2.5 percent on average. However, premiums for the TRS-ActiveCare 1-HD plan will not change at all. The Board approved modest increases to the maximum out-of-pocket limits and retail pharmacy copays for maintenance drugs. The premium increases and plan design changes are needed to cover the cost of health care benefits for plan participants in the upcoming plan year.

TRS will communicate detailed information to plan participants affected by the changes in an effort to ensure a smooth transition for everyone.

Please see the following documents that summarize the changes to TRS health benefit plans:

[2016-2017 TRS-Care Premiums](#)

[2016-2017 TRS-Care Plan Design Summary](#)

[2016-2017 TRS-Active Care POS II Rates and Benefits](#)

[2016-2017 TRS-ActiveCare HMO Rates and Benefits](#)